



your resource for Affordable Housing

**LOTTERY INFORMATION
WILD ROSE ESTATES
ANDOVER, MA**

Wild Rose Estates will provide one new affordable three bedroom town home for a local qualified first time homebuyer. This 4-unit project is located at the corner of Wild Rose Drive and Lowell Street in Andover, MA. The unit features +/- 1550 sq. ft. of living space and includes three bedrooms, two and a half bathrooms, a detached one car garage and unfinished basement.

The sales price for the affordable three bedroom town home is \$175,000. This unit will be sold by lottery as outlined in the attached package. Please review the enclosed information packet in detail and complete the application and disclosure statement at the rear of the packet.

PLEASE NOTE: A MORTGAGE PRE-APPROVAL AND ALL REQUIRED FINANCIAL DOCUMENTATION MUST BE RECEIVED ON OR BEFORE THE APPLICATION DEADLINE TO PARTICIPATE IN THIS LOTTERY. THE PRE-APPROVAL MUST BE FROM A LENDER EXPERIENCED WITH FIRST TIME HOMEBUYERS AND DEED RESTRICTED PROPERTIES. ONLINE LETTERS WILL NOT BE ACCEPTED. A LIST OF RECOMMENDED LENDERS IS AVAILABLE UPON REQUEST.

A Public Information Meeting will be held 7:00 p.m. Monday, July 26, 2010 at the Memorial Hall Library, located at 2 North Main Street in Andover, to answer specific questions and provide an overview of the process. If you have questions and can attend this meeting please hold them until that time. Assistance will also be available to help you complete and submit the application at the meeting.

Applications can be completed on line at www.mcohousingservices.com. The application deadline is August 20, 2010. A mortgage pre-approval and all required financial documentation must be received on or before the deadline for your application to be complete. Incomplete applications will not be included in the lottery. The lottery will be held 7:00 p.m., Wednesday, August 25, 2010 at the Memorial Hall Library. The town home will be available for immediate occupancy.

Thank you for your interest in affordable housing at **WILD ROSE ESTATES**. We wish you the best of luck. If you have questions and cannot attend the Public Information Meeting, please contact MCO Housing Services at 978-456-8388 or email us at lotteryinfo@mcohousingservices.com. We encourage you to advise other people or organizations that may be interested in this program and make copies of the relevant information as needed.

Sincerely,

A handwritten signature in black ink that reads "Maureen M. O'Hagan".

Maureen M. O'Hagan
MCO Housing Services for NALAG LLC



Wild Rose Estates

Question & Answer

What are the qualifications required for Prospective Buyers?

- Qualify based on the following maximum income table, which is adjusted for household size:

Household Size	1	2	3	4	5	6
Max Allowable Income	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750

LOTTERY APPLICANT QUALIFICATIONS:

- Gross Household income can not exceed the above allowable maximum income for your household size.
- Must be a first time homebuyer (never owned or not owned a home as a principal residence for a period of three years.)
Exception for :
 - a. displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
 - b. single parent, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of who the individual has custody or joint custody, or is pregnant);
 - c. households where at least one household member is 55 or over;
 - d. households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - e. households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of construction a permanent structure.
- Assets can not exceed \$75,000. Retirement assets are counted.
 1. Individual retirement, 401K and Keogh accounts are included at 100% of the account value.
 2. The value of Retirement and Pension Funds differ if you are employed or are no longer working. If still employed the value is determined using the amount you can withdraw less any penalties or transaction costs. At retirement, termination of employment or withdrawal periodic receipts from pension and retirement funds are counted as income. Lump sum receipts are counted as assets.

Complete Income and Asset Guidelines will be provided upon request or you can view online at www.mcohousingservices.com.

Other program highlights for Lottery applicants:

- Units must be owner occupied,
- A mortgage pre-approval is required to participate in the lottery. The mortgage guidelines are listed below.

Are there mortgage guidelines that we need to follow?

Yes, they are:

1. The loan must have a fixed interest rate through the full term of the mortgage.
2. The loan must have a current fair market interest rate. (No more than 2 percentage points above the current MassHousing Rate.)
3. The buyer must provide a down payment of at least 3%, 1.5% of which must come from the buyer's own funds.
4. The loan can have no more than 2 points.
5. The buyer may not pay more than 38% of their monthly income for housing costs.
6. No third party mortgages are allowed.

Are there preferences for local residents and those with families?

Yes, the available affordable unit is for a household who meets at least one of the following Local Preference Criteria:

- Current Resident of the Town of Andover
- Employees of the Town of Andover



Unit preference for the three bedroom unit will be given to a household which require three bedrooms, based on household size. Second preference to households which require two bedrooms, based on household size and third preference to household which require one bedroom based on household size.

Unit preferences are based on the following:

- a. There is a least one occupant and no more than two occupants per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.

If the unit is unable to be filled with a local household the unit will be open to applicants who are not in the local pool based on household size, as stated above, and lottery ranking.

Are there any restrictions?

YES. Deed restrictions are used to ensure the units are affordable for future buyers and are attached to the property in perpetuity. If you choose to sell your unit, there is a limit on the resale price. The maximum resale price is determined using a Resale Price Multiplier, a figure calculated by taking the initial sales price and dividing it by the area median income. **For example**, the initial 3 bedroom affordable town home unit price is \$175,000 and the current area median income is \$85,300, the Resale Price Multiplier would be $\$175,000/\$85,300 = 2.05$.

Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price. In addition, the Monitoring Agent may receive a 2.5% resale fee that can be added to the maximum resale price.

How much money do I need to make to afford the unit?

The minimum income required to purchase is based solely upon an applicant's ability to secure a mortgage. Attached is an "Affordability Analysis" based upon current interest rates and anticipated real estate taxes and related housing expenses.

Lottery Process

Due to the nature of the affordable units' availability it is important for everyone to understand the procedure. Please understand the allowable income guidelines are adjusted based upon your household size. Also be advised that the program and its requirements are subject to changes in local, state or federal regulations.

Lottery Pools

There will be one affordable town home unit available at Wild Rose Estates distributed by lottery to a household who meets the Local Preference Criteria. If the unit is unable to be filled with a local household the unit will be open to applicants who are not in the local pool based on household size and lottery ranking.

Unit preference for the three bedroom unit will be given to a household which require three bedrooms, based on household size. Second preference to a household which require two bedrooms, based on household size and third preference to household which require one bedroom based on household size.

Unit preferences are based on the following:

- a. There is a least one occupant and no more than two occupants per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and reliable medical documentation is provided substantiating the adverse impact.

All of the applicants for a given pool will be pulled at the time of the lottery. This will establish the rankings for the distribution of the unit. For example, if there are 60 local applicants for the Lottery, the first applicant that meets the preference criteria would have an opportunity to purchase the unit. The remaining 59 applicants would establish the waiting list if the initial "winner" is unable to purchase.



Time Frames

Wild Rose Estates has completed construction and the affordable unit is available for immediate occupancy.

If you are selected and have the opportunity to purchase the unit you will speak or meet with a representative to review your application to verify all information. Applicant selected for the unit will need to start working with their bank immediately to secure the necessary mortgage. Please be advised that the official income verification will be done at the time you have an opportunity to purchase a unit.

Acceptance of Town Home

If you choose not to take the designated unit, you will go to the bottom of the list and will likely NOT have another opportunity.

Summary

We hope this helps explain the process by which the units will be distributed. It can be a lengthy and sometimes complicated process. We greatly appreciate your participation and wish you the best of luck in the lottery process.

SAMPLE AFFORDABILITY ANALYSIS

Home Price	\$ 175,000.00
<i>Interest Rate</i>	5.09%
<i>Down Payment (%)</i>	5%
Down Payment (\$)	\$ 8,750.00
Mortgage Amount	\$ 166,250.00
Monthly Expenses	
<i>Principal & Interest</i>	\$ 901.63
<i>Real Estate Taxes</i>	\$ 192.00
<i>Private Mortgage Insurance</i>	\$ 108.00
<i>Hazard Insurance</i>	\$ 58.00
<i>Estimated Association Fee</i>	\$ 149.00
TOTAL Monthly Expenses	\$ 1,409.63

NOTES:

ALL values are estimates and are subject to change.

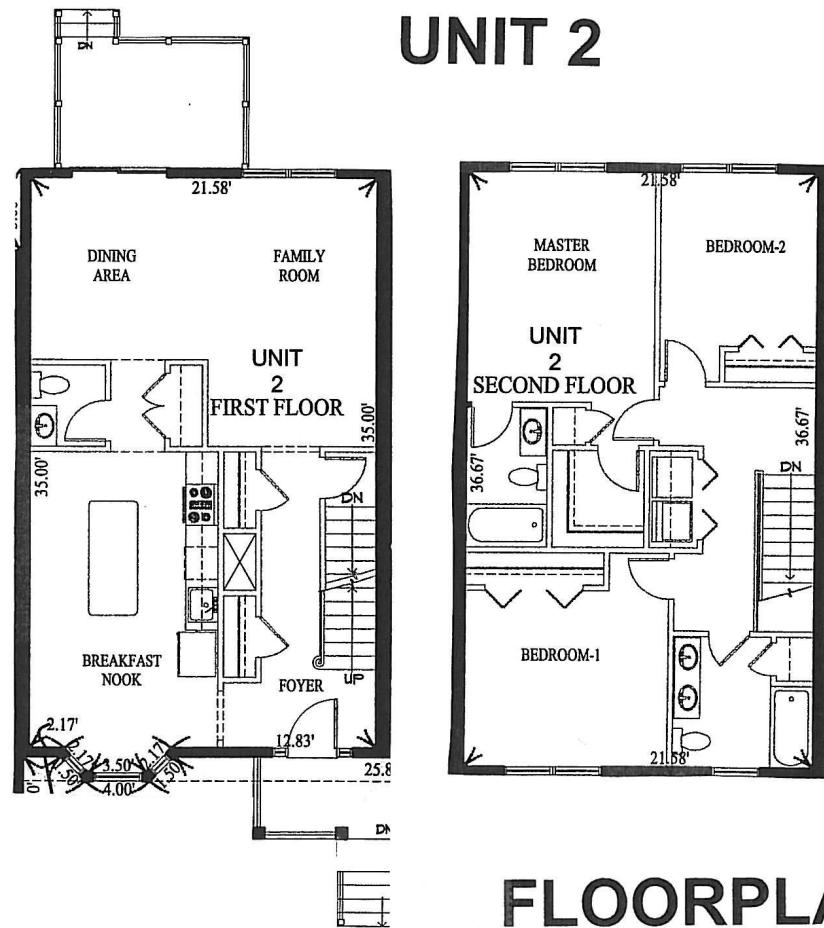
Andover Residential Tax Rate = \$13.19 per thousand

WILD ROSE ESTATES



FRONT ELEVATION

UNIT 2



FLOORPLAN

WILD ROSE ESTATES

LOTTERY APPLICATION

APPLICATION DEADLINE: August 20, 2010

For Office Use Only:	Date Appl. Rcvd: _____
Local:	Y / N
Household Size:	_____
Lottery Code:	_____

PERSONAL INFORMATION:

Date: _____

Name: _____

Address: _____ Town: _____ Zip: _____

Home Telephone: _____ Work Telephone: _____ CELL: _____

Email: _____

Have you or any member of your household ever owned a home? _____ If so, when did you sell it? _____

Do you meet one of the Local Preference Eligibility Criteria established by the Town of Andover? _____ Please check the appropriate category(s) below:

- Current Resident of the Town of Andover
- Employees of the Town of Andover

All local applicants will need to provide proof of local preference should they have an opportunity to purchase, which may be verified with the town.

FINANCIAL WORKSHEET: (*Include all Household Income which includes gross wages, retirement income (if drawing on it for income), business income, veterans benefits, alimony/child support, unemployment compensation, social security, pension/disability income, supplement second income and dividend income.*)

Borrowers Monthly Base Income (Gross) _____

Other Income _____

Co-Borrowers Monthly Base Income (Gross) _____

Other Income _____

TOTAL MONTHLY INCOME: _____ (A)

Household Assets: (This is a partial list of required assets. A complete list will be provided should you have an opportunity to purchase. Complete all that apply with current account balances)

Checking (avg balance for 6 months) _____

Savings _____

Stocks, Bonds, Treasury Bills, CD or _____

Money Market Accounts and Mutual Funds _____

Individual Retirement, 401K and Keogh accounts _____

Retirement or Pension Funds (amt you can w/d w/o penalty) _____

Revocable trusts _____

Equity in rental property or other capital investments _____

Cash value of whole life or universal life insurance policies _____

Downpayment Gift _____

TOTAL ASSETS _____ (C)



EMPLOYMENT STATUS: (include for all working household members. Attach separate sheet, if necessary.)

Employer: _____

Street Address: _____

Town/State/Zip: _____

Date of Hire (Approximate): _____

Annual Wage - Base: _____

Additional: _____ (Bonus, Commission, Overtime, etc.)

ABOUT YOUR FAMILY: (OPTIONAL)

You are requested to fill out the following section in order to assist us in fulfilling affirmative action requirements. Please be advised that you should fill this out based upon family members that will be living in the home. Please check the appropriate categories:

	Applicant	Co-Applicant	(#) of Dependents
White	_____	_____	_____
African American	_____	_____	_____
Hispanic/Latino	_____	_____	_____
Asian or Pacific Islander	_____	_____	_____
Native American or Alaskan Native	_____	_____	_____
Cape Verdean	_____	_____	_____

The total household size is _____

Household Composition Name _____ Relationship _____ Age _____

(include applicant) Name _____ Relationship _____ Age _____

Name _____ Relationship _____ Age _____

Name _____ Relationship _____ Age _____

ADDITIONAL INFORMATION:

The MAXIMUM allowable annual income is as follows:

Household Size	1	2	3	4	5	6
Max Allowable Income	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750

These income limits are FIRM and cannot be adjusted. Please be advised that the income to be used should include income for all members of the household that are to be residing in the home. Applicants will be responsible for all closing costs associated with the purchase of a home. The down payment must be a minimum of 5% based upon standard underwriting procedures. Some of this may be in the form of a gift depending on the lending institution.

SIGNATURES:

The undersign warrants and represents that all statements herein are true. It is understood that the sole use of this application is to establish the preliminary requirements for placement into a lottery to have an opportunity to purchase an affordable home at Wild Rose Estates in Andover, MA. I (we) understand if selected all information provided shall be verified for accuracy at the time of bank application.

Signature _____ Date: _____

Applicant

Signature _____ Date: _____

Co-Applicant

It is my judgment that the applicant should be allowed to participate in the Wild Rose Estates affordable home lottery in Andover, MA based upon this application. If selected all information provided shall be verified for accuracy at the time of bank application.

Signature _____ Date: _____

Certifying Agent (MCO Housing Services)

Return with **SIGNED** Affidavit & Disclosure Form and Mortgage Pre-approval to:

MCO Housing Services, P.O. Box 372, Harvard, MA 01451



Wild Rose Estates

Affidavit & Disclosure Form

I/We understand and agree to the following conditions and guidelines regarding the distribution of the affordable homes at Wild Rose Estates in Andover, MA:

1. The annual household income for my family does not exceed the allowable limits as follows:

Household Size	1	2	3	4	5	6
Max Allowable Income	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750

Income from all household members must be included.

2. I/We have not individually or jointly owned a single family home, town home, condominium or co-op as a principal residence within the past three (3) years. There are exceptions for displaced homemakers.
3. I/We certify that my/our total assets do not exceed the \$75,000 asset limit and understand a portion or the full value of retirement accounts are included in determining the \$75,000 asset limit.
4. The household size listed on the application form includes only and all the people that will be living in the residence.
5. I/We certify all data supplied on the application is true and accurate to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that perjury will result in disqualification from further consideration.
6. I/We understand that by being selected in the lottery does not guarantee that I/we will be able to purchase a home. I/We understand that all application data will be verified and additional financial information will be required, verified and reviewed in detail prior to purchasing a home.
7. I/We understand that it is my/our obligation to secure the necessary mortgage for the purchase of the home through a bank experienced with first time homebuyer programs and all expenses, including closing costs and down payments, are my responsibility.
8. I/We further authorize MCO Housing Services to verify any and all income, assets and other financial information, to verify any and all household, resident location and workplace information and directs any employer, landlord or financial institution to release any information to MCO Housing Services and consequently the project's monitoring agency, for the purpose of determining income eligibility for Wild Rose Estates.
9. I/We understand that if selected I/we will be offered a specific home. I/We will have the option to accept the available home, or to reject the available home. If I/we reject the available home I/we will move to the bottom of the waiting list and will likely not have another opportunity to purchase an affordable home at Wild Rose Estates.
10. Program requirements are established by the DHCD and the Town of Andover. I/We agree to be bound by whatever program changes that may be imposed at any time throughout the process. If any program conflicts arise, I/we agree that any determination made by the Project Monitoring Agent is final.
11. I/We certify that no member of our family has a financial interest in Wild Rose Estates.
12. I/We understand there may differences between the market and affordable units and accept those differences.

I/We have completed an application and have reviewed and understand the process that will be utilized to distribute the available home at Wild Rose Estates. I/We am qualified based upon the program guidelines and agree to comply with applicable regulations.

Applicant

Co-Applicant

Date:

Return with completed and signed application, required financial documentation and mortgage pre-approval to:

MCO Housing Services, P.O. Box 372, Harvard, MA 01451





REQUIRED FINANCIAL DOCUMENTATION

Please provide **TWO COPIES** of all applicable information.

1. Federal Tax Returns –2007, 2008, 2009 (**DO NOT SEND MASS STATE TAXES**)
2. W2 and/or 1099-R Forms: 2007, 2008, 2009
3. Asset Statement(s): **Current** statements including 5 months checking accounts (full statement showing activity/every page front and back), saving accounts (full statement), investment accounts including retirement, certificate of deposit, property, down payment gift amount etc.
4. Five (5) **consecutive** pay stubs ending within one month of unit application for all jobs (check/direct deposit stubs). For unemployment, copies of unemployment checks or DOR verification stating benefits received.
5. Social Security: official statement of monthly amount received for year in review and statement of total amount received for latest tax year.
6. Pension: statements indicating amount received for year in review and statement of total amount received for latest tax year.
7. Child support and alimony: document indicating the payment amount.
8. Proof of student status for dependent household members over age of 18 and full-time students.
9. If you intend to utilize a gift from a family member to assist with the down payment, please advise us of the gift amount with the name and telephone number of the person providing the gift.
10. If you owned a home within the past 3 years but it was sold due to a divorce provide copy of divorce or separation papers and proof of the home sale showing equity received.

Please bring a copy of the following Mortgage Guidelines to your lender. As a reminder the Guidelines are:

- (1) Must secure a 30 year fixed rate mortgage..
- (2) The loan must have a current fair market interest rate. No more than 2% points above the current MassHousing Rate.
- (3) The buyer must provide a down payment of at least 3%, 1.5% of which must come from the buyer's own funds.
- (4) The loan can have no more than 2 points.
- (5) The buyer may not pay more than 38% of their monthly income for the mortgage.
- (6) Non-household members are not permitted to be co-signers on the mortgage.

Return all documentation, mortgage pre-approval, application and affidavit and disclosure form to:

MCO Housing Services
P.O. Box 372
Harvard, MA 01451

